

Message Text

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47

ORIGIN COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 TRSE-00 AID-05 CEA-01

CIAE-00 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

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COM:BIEPR:OTP:IND:HABRATT
COM:BIEPR:OTP:TNAD:KKUWABARA
COM:BDC:RMEYER
STATE:EUR/CE:RCASAGRANDE
STATE:EUR/RPE:RBRESSLER
STATE:EB/OT/STA:RMEYER
STATE:EB/TT/OA/AUP:JGORDON
TREASURY:MFELDMAN/C OUILLETT

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R 280153Z FEB 76
FM SECSTATE WASHDC
TO AMEMBASSY BONN
INFO USMISSION EC BRUSSELS
AMEMBASSY PARIS
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AMEMBASSY THE HAGUE
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AMCONSUL BREMEN
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E.O. 11652:

TAGS: EAIR, GW, EEC

SUBJECT: GERMAN AEROSPACE PROGRAM

REF: A. BONN 1373, B. USEC 9195 (14 OCT. 75) C. BASIC
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PROGRAM FOR THE GERMAN AEROSPACE INDUSTRY 1974-78

(POUCHED EUR/CE) (NOTAL)

1. GOVERNMENT SUBSIDIZATION OF DEVELOPMENT OF CIVIL AIRCRAFT SUCH AS DESCRIBED IN REF. A IS A MATTER OF CONTINUING CONCERN TO USG. AS EMPASSY AWARE, EC COMMISSION PROPOSAL OF OCTOBER, 1975 (REF. B) IS AMBITIOUS DESIGN FOR, INTER ALIA, COOPERATIVE PROGRAMS FOR THE DEVELOPMENT, RESEARCH, FINANCE AND MANUFACTURE OF EUROPEAN CIVIL TRANSPORT AIRCRAFT AND THE EVENTUAL PHASING OUT OF COMPETING NATIONAL PROGRAMS. WE HAVE REGULARLY RAISED THIS AND PREVIOUS PROPOSALS WITH EC COMMISSION IN SEMI-ANNUAL U.S.-EC CONSULTATIONS WHERE WE GENERALLY STRESSED A) OUR UNDERSTANDING OF EUROPEAN DESIRES TO DEVELOP A HEALTHY AIRCRAFT INDUSTRY; B) THAT WHILE SUBSIDIES MAY BE JUSTIFIED IN SOME CASES, PARTICULARLY FOR THE DEVELOPMENT OF NEW TECHNOLOGY, THE PRACTICE OF SUBSIDIZING PRODUCTION AND MARKETING DISTORTS COMPETITION AND RAISES QUESTIONS ABOUT THE FAIRNESS OF THESE PRACTICES; C) CONCERN OVER THE TENDENCIES OF SOME EUROPEAN COUNTRIES (NOT FRG TO

OUR KNOWLEDGE) TO PRESSURE GOVERNMENT-CONTROLLED AIRLINES TO PURCHASE NATIONAL OR EUROPEAN AIRCRAFT; AND D) THAT COOPERATION BETWEEN U.S. AND EUROPEAN AIRCRAFT INDUSTRIES ON A SOUND COMMERCIAL BASIS WOULD LEAD TO A MUTUALLY BENEFICIAL RELATIONSHIP.

2. ACTION. REQUEST EMBASSY EXPLORE WITH APPROPRIATE FRG OFFICIALS THE RELATIONSHIP BETWEEN NATIONAL PROGRAMS AND EC COMMISSION PROPOSALS AND GERMAN VIEWS TOWARD THOSE PROPOSALS. REQUEST ANY SPECIFIC FRG IDEAS ON HOW THE COOPERATION WITH U.S. FIRMS SUGGESTED BY SHOMERUS IN REF. A CAN BE ACHIEVED, GERMAN VIEWS ON EXPORT POTENTIAL OF SUBSIDIZED CIVIL AIRCRAFT BEYOND THOSE CONTAINED REF C AND WHETHER ANY PREFERENTIAL GOVERNMENT AND/OR LUFTHANSA PROCUREMENT IS ENVISIONED. THOUGH WE DO NOT JUDGE A FORMAL REPRESENTATION WARRANTED AT THE PRESENT TIME, EMBASSY SHOULD SEEK OUT APPROPRIATE OCCASIONS TO MAKE POINTS IN PARAGRAPH 1 WHICH WE HAVE MADE TO EC COMMISSION. REQUEST EMBASSY REPORT ON DEVELOPMENTS OF FRG SUBSIDY POLICY FOR AIRCRAFT, DATA PROCESSING AND OTHER LIMITED OFFICIAL USE

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SECTORS AS PROGRAMS MOVE THROUGH GOVERNMENTAL CHANNELS SO THAT USG CAN, IF WARRANTED, MAKE VIEWS KNOWN PRIOR TO FORMAL DECISIONS. INGERSOLL

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Message Attributes

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